

Knox County, Indiana
2007 Pay 2008 Budget Order

An analysis of the data with the 2007 Pay 2008 Budget Order for Knox County shows that the budgets, levies and tax rates to be approved are in compliance with Indiana statutes.

Knox County has no cross-county units.

Knox County has one Conservancy District, the Brevoort Levee Conservancy District. A Conservancy District is a special taxing district created to provide flood control, irrigation, potable water or wastewater service within a specified area. The cost of providing these services are charged to landowners in the form of a special assessment based on the benefit provided. These special assessments are added to the property tax bill of each landowner and collected along with property taxes. Since the benefit derived may not relate to the assessed value of the property, these assessments are normally expressed in terms of dollars of assessment and not as a tax rate per \$100 of net assessed value. Therefore, the Conservancy District special assessment has not been included in this analysis.

Changes in Local Tax Levies

Tax levy increases are made up of routine increases in controlled levies, increases in tax rate controlled levies and debt service levies. Controlled levies increase based on an annual growth factor or excess levy appeals. Tax rate controlled levies increase based on increases in assessed value applied to a specific tax rate (tax rates are adjusted downward to eliminate the effect of reassessment or trending).

The total net increase in tax levy for Pay 2008 on a county-wide basis was \$652,119 or 1.61%. Following are the levy changes that were greater than \$1 million or a 10% change over the previous year levy. The largest total dollar increase in levy was due to the South Knox School Corp (\$674,110) and the North Knox School Corp (\$606,870).

Knox County

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$5,425,919	\$5,512,696	\$86,777	1.60%
Health	189,832	-0-	-189,832	-100.00%
Children's Psychiatric Res Treatment	72,916	59,470	-13,446	-18.44%
Park and Recreation	270,290	388,627	118,337	43.78%

Knox County Welfare

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Welfare - Family and Children	\$1,711,000	\$1,536,529	-\$174,471	-10.20%

Total County levy decreased by \$125,002 or 1.42%. Existing cash balances used in Welfare F&C and Children's Psych Treatment for 2008.

Vincennes Civil City

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Fire Pension	\$696,009	\$299,867	-\$396,142	-56.92%
Fire Equipment Debt	166,949	132,124	-34,825	-20.86%
Park and Recreation	207,243	265,694	58,451	28.20%

Total City levy decreased \$364,637 or 5.22%.

North Knox School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$2,127,133	\$2,346,744	\$219,611	10.32%
Debt Service	186,815	664,803	477,988	255.86%
Bus Replacement	193,351	101,992	-91,359	-47.25

Total School levy increase of \$606,870 or 12.98%. Debt service increased due to approved lease rental agreement in 2007. Payments begin in 2008.

South Knox School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$2,691,018	\$2,986,339	\$295,321	10.97%
Debt Service	952,435	1,293,200	340,765	35.78%
Bus Replacement	45,647	64,152	18,505	40.54%

Total School levy increase of \$674,110 or 11.39%. Bus replacement served as pension neutralization in 2007, but the levy was restored in 2008. Debt service payments increased per payment schedule.

Knox County Public Library

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$898,455	\$671,235	-\$227,220	-25.29%

Total Library levy decreased by \$227,220 or 25.29%.

No units in the County exceeded the working maximum levy. All units in the County levied up to or near their working maximum levy.

No units in the County exceeded the normal statutory growth rate for controlled fund levies.

Changes in Real Property Gross Assessed Values

Real Property Gross Assessed Values increases by property class are as follows.

<u>Class</u>	<u>% Increase</u>
Agriculture	20.15%
Mining	-1.21%
Industrial	4.05%
Commercial	5.26%
Residential	6.61%
Exempt	2.98%
Utility	1.03%

Changes in the proportion of Gross Assessed Value by Class can create a burden shift from one class to another. The proportion (mix) of values of real property by class (this can represent the relative tax burden by class, except that it does not include the impact of deductions or credits).

<u>Class</u>	<u>2007 Ratio</u>	<u>2008 Ratio</u>
Agriculture	16.88%	18.81%
Mining	0.18%	0.16%
Industrial	3.19%	3.08%
Commercial	10.70%	10.45%
Residential	45.60%	45.10%
Exempt	23.19%	22.15%
Utility	0.26%	0.24%

As can be seen from the analysis, a shift from Industrial, residential, exempt, and commercial property to agricultural property occurred. This shift was approximately 1.93%.

Change in Net Tax Rates

Changes in net tax rate by district were as follows.

<u>District</u>	<u>Change in NAV</u>	<u>Change in Levy</u>	<u>Change in Gross Tax Rate</u>	<u>Change in Business Personal Property Net Tax Rate</u>	<u>Change in Real Estate and Other Personal Property Net Tax Rate</u>	<u>Change in Homestead Net Tax Rate</u>
BUSSERON TOWNSHIP	12.31%	7.37%	-4.39%	-2.73%	-0.13%	-11.12%
OAKTOWN TOWN	0.63%	-2.16%	-2.78%	-1.12%	1.78%	-9.87%
DECKER TOWNSHIP	23.00%	16.77%	-5.07%	-4.19%	-2.33%	-13.94%
HARRISON TOWNSHIP	12.67%	7.60%	-4.50%	-3.50%	-1.71%	-12.99%
MONROE CITY TWP	-2.84%	-6.96%	-4.24%	-3.25%	-1.39%	-13.42%

JOHNSON TOWNSHIP	14.69%	10.15%	-3.96%	-2.92%	-0.88%	-12.32%
DECKER TOWN PALMYRA TOWNSHIP	-0.93%	-8.93%	-8.08%	-7.85%	-5.53%	-17.71%
STEEN TOWNSHIP	19.96%	13.72%	-5.20%	-4.35%	-2.64%	-13.89%
WHEATLAND TOWN	-7.69%	-11.35%	-3.96%	-2.84%	-1.03%	-12.74%
VIGO-SOUTH TOWNSHIP	29.13%	18.70%	-8.08%	-7.82%	-5.85%	-17.60%
BICKNELL CITY-VIGO TOWNSHIP	26.97%	19.52%	-5.87%	-4.71%	-1.95%	-14.31%
EDWARDSPORT TOWN	15.52%	8.81%	-5.81%	-5.08%	-2.40%	-17.42%
SANDBORN TOWN	2.49%	-3.90%	-6.24%	-5.32%	-2.57%	-16.00%
WASHINGTON TOWNSHIP	2.90%	0.43%	-2.40%	-0.81%	1.86%	-12.09%
BICKNELL CITY-WASHINGTON TOWNS	12.24%	7.14%	-4.54%	-2.96%	-0.32%	-11.69%
BRUCEVILLE CIVIL TOWN	-7.47%	-12.80%	-5.76%	-5.03%	-2.36%	-17.32%
WIDNER TOWNSHIP	-4.83%	-7.13%	-2.42%	-0.92%	1.66%	-11.29%
VINCENNES CITY I	13.38%	8.49%	-4.32%	-2.62%	0.08%	-11.30%
VINCENNES TOWNSHIP-VINCENNES S	7.17%	-3.18%	-9.66%	-8.21%	-6.13%	-19.38%
VINCENNES TOWNSHIP-SOUTH	8.18%	0.97%	-6.67%	-3.80%	-1.71%	-11.80%
KNOX	22.75%	18.65%	-3.35%	-2.26%	-0.14%	-11.33%
VIGO-NORTH TOWNSHIP	22.42%	17.43%	-4.08%	-2.35%	0.25%	-11.08%
VIGO-CENTRAL TOWNSHIP	19.47%	14.16%	-4.45%	-2.90%	-0.18%	-12.17%
VINCENNES CITY II	2.19%	-4.27%	-6.32%	-4.22%	-2.05%	-14.23%
Average	10.01%	2.01%	-5.23%	-4.02%	-1.65%	-13.99%

Downward pressure on tax rates came from increases in Assessed Value due to trending and the increased Homestead Credit rate. Some upward pressure on tax rates came from minimal increases in tax levies.

The estimated reduction in net homestead tax bills for Knox County is 29.29%

Assessment Status

The DLGF has prepared an analysis of assessed valuation change by property class based on a review of parcel data. The results of this analysis are summarized in the table below:

Property Class	Percent of Parcels with Identified Assessed Valuation Change					
	<u>Decrease</u>	<u>No Change</u>	<u>0 – 10% Increase</u>	<u>10 – 30% Increase</u>	<u>30 – 100% Increase</u>	<u>More Than Doubled</u>
Commercial	6.1%	23.7%	62.4%	2.2%	3.5%	2.0%
Industrial	9.7%	28.4%	53.8%	3.8%	3.8%	0.5%
Residential	17.0%	14.7%	47.5%	16.0%	3.3%	1.5%
Overall	10.7%	17.6%	34.3%	30.1%	6.1%	1.2%

